OLR Bill Analysis

SB 857

AN ACT CONCERNING THE USE OF STEP THERAPY FOR AND OFF-LABEL PRESCRIBING OF PRESCRIPTION DRUGS.

SUMMARY:

This bill prohibits individual and group health insurance policies from requiring anyone covered under them to use any alternative brand name prescription or over-the-counter drugs before using a brand name prescription drug prescribed by a licensed physician. But, the policy may require the covered person to use a therapeutically-equivalent generic drug before using a brand name drug prescribed by a licensed physician.

Under the bill, if a policy requires the use of step therapy, it may not (1) require failure on the same prescription drug more than once or (2) impose a copayment greater than the lowest cost copayment for preferred drugs in the same class on any person covered under the policy who has satisfied, in the prescribing physician's judgment, the step therapy requirements of the policy. Under the bill, "step therapy" are protocols that establish specific sequences for prescribing drugs for a specified medical condition.

The bill does not prohibit using tiered copayments for any person covered under such policy who is not subject to the use of step therapy.

The bill bars certain policies from requiring, as a condition of coverage, the use of any prescription drug for a condition for which it has not been approved by the federal Food and Drug Administration, unless it is prescribed by the person's treating health care provider. This provision applies to individual and group health insurance policies that cover prescribed drugs approved by the Food and Drug Administration to treat cancer or a life-threatening chronic disease.

The bill also makes minor and technical changes.

EFFECTIVE DATE: January 1, 2014

BACKGROUND

Related Federal Law

The Affordable Care Act (P. L. 111-148) allows a state to require health plans sold through its exchange to offer benefits beyond those already included in its "essential health benefits," but the act requires the state to defray the cost of these additional benefits. The requirement applies to mandates enacted after December 31, 2011. As a result, the state would be required to pay the insurance carrier or enrollee to defray the cost of any new benefits mandated after this date.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable
Yea 10 Nay 8 (03/19/2013)